

CITY OF LEESBURG, FLORIDA

Up to \$20,000,000 Electric Utility Series 2010 Note (Electric GAN Drawdown Credit Facility); Summary of Bank Responses- RFP #100312

Prepared June 27, 2010

	SunTrust Bank	BBVA Compass Bank	TD Bank, N.A.
Proposal or Commitment; TERM of Response	<b><u>Commitment</u></b> ( Expires 45 days, or approx. July 30 <sup>th</sup> per RFP request) <b><i>Per RFP</i></b> , Three Years, then 10 Year Term Period, (October 1, 2023)	Proposal Up to \$20 Million; Subject to Credit Approval. <b>Not clear if draw downs an option.</b> Proposal open until 7/12/10, "Closing by 7/30/10 not a problem". New Respondent	Proposal. Up to \$20,000,000 Draw down Credit Facility; 3 Plus 10. <b>BUT OPTIONAL CALL @ year TEN.</b>
Bank Fees	None	Capped at \$5,900	NA
Bank Counsel & Fees	Joe Stanton, Broad & Cassel; Capped at \$2,500 to \$3,500 (review)	\$6,000, <b>counsel not mentioned.</b>	\$4,000, <b>counsel not mentioned.</b>
Floating Rate Options	<b>Floating Rate:</b> on up to \$11 MN: 67% (1 month LIBAR +1.93%): <b>2.16%</b> (Floor: 2.00%).  <b>Too detailed to summarize.</b> LCS/Selection Team to review <b>Plan A (Full Funding at Closing)</b> and <b>B (Partial funding at closing)</b> and <b>7 options.</b>	Three Options Provided:  <b>1. Floating:</b> at 65% of (6 month LIBOR plus 130 b.p.) (as of 6/21: 6 mo LIBOR= 0.75%), <b>Floating Rate = 1.352 % (as of 6/21)</b>	<b>Floating: Interest Only Period</b>  (1 Month LIBOR + 1.42%) x 69%. As of 6/18/10: <b>1.22%.</b>

Fixed Rate Option(s)	<p>(SUN TRUST, CONT.)</p> <p>See Plan A's and B's options. Fully funded loan options 3 + 10, 3 + 12, 15 year. Plan A: Fully Drawn at Closing. Plan B (\$11 Million Draw Down; 9 Million Drawn), CF: 0.25% on unused.</p>	<p>(BBVA COMPASS, CONT)</p> <p>2. Fixed Via "Forward Starting, Floating to Fixed Interest Rate Swap": As of 6/21: Rate = 4.11% Floating: 65% of 6 MOL + 130 b.p.</p> <p>3. Fixed Via "Forward Callable Swap": As of 6/21: Fixed Rate: 4.43%, with 5 year optional early termination. Swaps ok tool, but typically Term out amount is needed.</p>	<p>(TD BANK , CONT)</p> <p><b>Term Out Period:</b> Rates are indicative, and would be set 3 days prior to 10/1/13 conversion. Greater of</p> <p>a) ( 7 yr Swap Rate plus 2.21%) x 69%</p> <p>b) ( 7 yr US Treasury Note plus 2.23%)</p> <p>Indicative rate as of 6/18/10: 3.45%</p> <p>(7 yr Swap Rate = 2.82% (as of 6/21);</p> <p>( 7 yr Treasury = 2.72% (as of 6/21))</p>
Repayment Terms, Security and Financial Covenants	<p>Per RFP, Interest every April 1 and October 1, beginning October 1, 2010. Principal Repays beginning Oct 1, 2014, final one October 1, 2023.</p> <p>Covenants seem to tie into 2004 and 2007 Bonds. Standard "make-whole" provision for certain Fixed Rate options.</p> <p>Pledged Revenues per RFP.</p> <p><b>Mandated either full draws (Plan A), or partial draw (\$9Million)with Drawdown Capacity(\$11Million)(Plan B), with proceeds in STrust MMKT Account (0.35-0.50%).</b></p>	<p>Per RFP, Interest every April 1 and October 1 beginning 10/01/10 thru 10/01/13. <b><i>Principal repays beginning 10/01/13 (should be 2014?).</i></b> Final Maturity 10/01/23.</p> <p>Security: Per RFP</p> <p>Covenants: Per RFP.</p>	<p>Security and repayment Per RFP. <b>Bank has option to call Term Note after 7 years</b> (ie. 3 years prior to Final Maturity), will give 6 month advance notice.</p> <p>No prepayment during Interest only.</p> <p>Prepayment penalty for Term Fixed Rate draws. Default Rate: Rate plus 4%.</p> <p>Late Charge: &gt;15 days past due; 6% late charge assessment. (other banks have similar, but at least TD gave at outset)</p> <p>Page 2 of 3</p>



<p>Other RFP Requirements and Contact Officers</p>	<p>(SUN TRUST, CONT.)</p> <ol style="list-style-type: none"> <li>1. CAFR within 210 Days FYE, and Budget within 30 days of FYE.</li> <li>2. Swap Option also subject to docs (standard)</li> <li>3. Other standard requirements.</li> <li>4. Add Bonds and Rate Covenant per RFP.</li> <li>5. City to have P&amp;I Payments debited from City account at SunTrust.</li> </ol> <p>SunTrust Contact Officer: William Jones, FVP Tel: 407-237-5909</p> <p>*Current Major Operating Bank to City * Provided References and Financing Experience List * Previous Lender to City in 2008 and Earlier</p> <p>*Selected Lender in 2010 for Utility Note Refunding (Plantation)</p>	<p>(BBVA COMPASS, CONT)</p> <p><b>1. Investment relationship:</b> City to maintain deposit with Compass at 10% of par amount of Note (Operating Accounts, MMKT, or CD's: @ Term 10% or MADS around \$900,000 - \$1,000,000).</p> <p>Wally Harriss, VP Commercial Lending, Ocala Tel: 352-732-6816 Owned by BBVA, Spain. Compass based in, Birmingham, AL. 1<sup>st</sup> Response.</p>	<p>(TD BANK, CONT)</p> <ol style="list-style-type: none"> <li>1. CAFR w/i 210 days.</li> <li>2. Budget w/i 30 days.</li> <li>3. Rate Covenant and Add Bonds of 1.25 x Min, Per RFP and 2004 Master Resolution.</li> <li>4. City to maintain at least 1 year MADS on deposit with Bank (QPD, @ market rates, not as collateral, est. around \$1Million).</li> </ol> <p>Delle Joseph, Senior Loan Officer Florida Middle Market – Municipal Lending; Coral Gables Tel: 786-369-7066 1<sup>st</sup> Response, Purchased Riverside Bank.</p> <p>Page 3 of 3</p>
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Summary Review Prepared by Larson Consulting Services, LLC, Orlando, Florida, June 27, 2010.

This RFP was sent out to a large number of financial institutions. Both RBC Bank, and PNC Bank took the time to thank the City for the opportunity via email to its Financial Advisor, but either due to the requested credit structure (out to 13 Years, timing issues, or relationship reasons) chose not to respond. M Thornton has list of other Non respondents.